

## LGCSOI Pre-Solicitation Conference

25 April 2017

### General Session Minutes

Col Smith welcomed the group. He stated that the job of the Government was to provide parts on the shelf and contracts in place for critical parts, and spares are at the center today. The goal has been to develop unique, innovative ways to provide the necessary support. He challenged the group in attendance to help the Government to get better and more innovative as industry best practices are included.

Ron Montgomery, the chief engineer for landing gear systems spoke next and stated that his division is responsible for the operational safety for landing gear systems. His team was approached with a new idea for this contract on how to make it more efficient and to apply the lessons learned from the LGPVC. He explained that the awardee of this contract will be the approved source for all the parts on the contract. That they will be like an OEM and will be held responsible for the quality of the parts. They will be expected to hold the subcontractors responsible for FAT and quality. He did qualify, however, that the Air Force is retaining engineering authority. The Government expects co-location to be very helpful in the management and engineering of this contract.

Justen Bonham, director of the Hill Commodity Council, stated that the Government's vision is to align DoD supply chain requirements and regulations with industry best practices. To improve the efficiencies of contracting and supporting the warfighter, the contracts are going to a more outcome based environment. We anticipated a reduction in PLT and improved on-time delivery.

Trevor Russell, program manager, explained the disclaimers and also provided information on the NSNs that may be affected by the LGPBL effort. The bidsets that are being released will be for bid only. The final procurements will be rescreened and updated information provided as individual Delivery Order requirements are established.

Mr. Russell stated that the Government had outlined its current support issues and taken a look at strategies and contractors to see how improvements could be made and the investigation led to single integrator approach. The driving philosophy is to make supply chain improvements. The integrator will be expected to mentor and intervene early to resolve problems, to provide timely payment of subcontractors, and proactive sourcing – forgings and long lead items. The integrator is also expected to help properly forecast these items.

The contract includes PLT incentives based on a ratio that ties price to PLT reduction but will penalize late deliveries. The Government will no longer accept the common practice of late deliveries.

The collaborative nature of this contract means the contractor and Government will be in daily interaction and co-located to work together to solve problems. The 339 process has been removed to improve the Government information flow process for the awardee. The co-located team will include the DLA, AF, and contractor personnel. The contractor will be provided access to PRPS and JEDMICS to obtain proactive information to improve support. There will also be a dedicated product specialists for this contract.

While the Government wants pricing to be reasonable, it is not the most important item and competition is expected to keep prices fair and reasonable. It was explained that there are priced and unpriced tabs to the TEP worksheet. The priced tab lists all the NSNs that will be used for the proposal. The unpriced tabs indicate the NSNs that the awardee will be responsible for when a requirement for that NSN develops. It is at that time that it will be priced. This effort is a full trade-off source selection for award. Technical and Past Performance will be more important for award than pricing. The Government identifies that the lowest price will not always be in the best interest of the Air Force. The priced NSNs will be the contractual price for those parts.

The question was asked to explain the difference between the BEQ and the notional prices. The BEQ is a 10 year best estimated quantity of items that may be purchased. The notional numbers will be derived via a simulation representing 10 years of buy requirements, mimicking the governments buying patterns and attributing randomized quantities to ensure prices are spread across as many quantity ranges as realistically possible. The notional prices will not be shared, but will be applied equally to all proposals.

The spreadsheet for the pricing was explained. There will be a range pricing that is provided by the contractor. This will be used for the source selection team.

It was asked how the PLT would be measured. The PLT is measured on the first significant delivery established. The Government can only measure one PLT, so there will only be one PLT for each NIIN. The contractual PLT will be the PLT proposed by the offeror for each NSN. The PLT adjustment will be based on the proposed PLT TEP worksheet and the level of risk associated with that PLT. The contract is designed to incentivize the contractor to provide accurate PLTs and to meet those PLTs.

A discussion took place regarding DCMA and its role in this effort. Ron Montgomery stated the Government is rewriting the QALI letter that will provide a more defined DCMA requirement for inspections. This is being coordinated with the Navy because some of the parts are used on other agency A/C. The team is coordinating with DCMA to try and have one team to support this contract, and it is likely that DCMA Cleveland will be the support office. It is not yet clear when the QALI be available for the contractors.

The present process will not change in regard to DCMA's role with deviations and waivers.

The question was asked how the PLT and delivery metrics work if there are multiple deliveries for production. The two are measured differently. PLT measurement stops at the first significant delivery, the remaining deliveries will be measured as they are scheduled to be deliveries. The measurement is based on the established delivery schedule and is on an exponential curve. The penalty for minor delays is not large, but as that delivery gets further and further out, it is going to be a much bigger penalty.

The contractors expressed their concerns regarding which QALI letter will be used as they establish the pricing. That information will need to be known to develop an accurate delivery schedule based on the stop points and hold points that can control the production. The QALI will be available as soon as possible. The Government understands that this can be a significant effect on the PLT.

It was explained that the TEP is only an evaluation process. This will be using the same notational pricing for each contractor with the only difference being what the contractor proposes as the range.

The bids will include a price for FA and Testing. The Government has attempted to encompass every spare part in landing gear that is competitive, with the majority of those items being DLA consumables.

The concept on this effort is that there will be no need to have tactical procurements. But there are some efforts that may happen outside of this contract that the will not be in the Government PM area of control. The DLA consumables will be purchased through an automated ordering system. The intent is to use the LGCSCI contract for all orders. When the minimum guarantee is met then it is possible order tactically, but is not planned.

It was explained that the un-priced parts are included in case there is a requirement at a future date. The FAR is very specific on what is required on the contract for pricing. It is expected that Government will work with the contractor to develop a fair price for requirements as they develop.

It was stated that some items to be priced will not have bidsets. These are normally 1G items that are easily produced. All critical safety items should have bidsets.

Program management will be required across the full scope of the contract. It will need to be explained how much time that the Program Manager will be used to support the requirements. It is expected that the contractor's PM will be co-located within the 417<sup>th</sup>. The Government will provide the office space and equipment to support this person.

There will be no GFP on the contract.

Regarding technical qualifications (Factor One), the proposal is required to provide information that indicates the expertise to successfully fulfill this requirement. The highlight of this contract is improved supply chain management flow. It's important that the Government be able to understand the contractors approach from raw material through delivery.

Sub-factor four- need to provide a defined explanation on how the PLT will be reduced.

Mr. Montgomery emphasized again that there will not be any delegated MRB authority given to the contractor but the EN office will be working closely with the contractor to resolve any issues.

Regarding past performance (factor two) recency and relevancy are paramount. Recency is anything that is within five years of the RFP closing date. Anything more than 5 years from the RFP closure date will not be used.

Relevancy is based on the compared performance of the offeror to the requirement of this effort.

The Past Performance Information Sheets will be provided to the bidder's sub-contractors by the bidder and they will be sent back to the Government for review. It is incumbent upon the Government to follow up on negative past performance reports.

Team members are required to sign a teaming agreement. The requirement will be to show that the team members are engaged for the full length of the contract.